Grantley Speaking
Episode 11: Show Me the Money

1. **Mutual funds** - A mutual fund is a way for many people to pool their money and buy stocks, bonds or other securities. Mutual funds are divided into shares and each investor in the fund buys a number of shares that corresponds to the amount of money invested. Investors therefore participate proportionally in the gains or losses of the fund. The price of each share is known as the Net Asset Value (NAV). The NAV is simply the total value of the securities the fund owns divided by the number of the fund's shares outstanding.
2. **Investing** - The process of committing your savings to a goal, with the expectation of obtaining a future benefit that outweighs the cost.
3. **Stocks** - A stock (also known as "shares" and "equity") is a type of security that signifies ownership in a corporation and represents a claim on part of the corporation's assets and earnings.
4. **Bonds** – A debt security, similar to an IOU. Borrowers issue bonds to raise money from investors willing to lend them money for a certain amount of time.

   When you buy a bond, you are lending to the issuer, which may be a government, or corporation. In return, the issuer promises to pay you a specified rate of interest during the life of the bond and to repay the principal, also known as face value or par value of the bond, when it "matures," or comes due after a set period of time.
5. **Diversification** - Diversification can be neatly summed up as, "Don't put all your eggs in one basket." The idea is that if one investment loses money, the other investments will make up for those losses. Diversification can't guarantee that your investments won't suffer if the market drops. But it can improve the chances that you won't lose money, or that if you do, it won't be as much as if you weren't diversified.
6. **Return** - A return, also known as a financial return, in its simplest terms, is the money made or lost on an investment.
7. **Portfolio** - A portfolio is a grouping of financial assets held by individuals or institutions. Portfolios are held directly by investors and/or managed by financial professionals and money managers.
8. **Fundamentals** - In business and economics, fundamentals represent the primary characteristics and business data necessary to determine the stability and health of an asset.
9. **(Share) Price** - The price of an individual share in a company.
10. **Balance sheet** - A balance sheet is a financial statement that reports a company's assets, liabilities and shareholders' equity.

11. **S&P 500 Index** – This is the Standard & Poor's 500 Index. This index is a basket of 500 of the largest U.S. stocks, weighted by market capitalization. The index is widely considered to be the best indicator of how large U.S. stocks are performing on a day-to-day basis.

12. **Growth Account** - **Growth Fund** - A growth fund is a diversified portfolio of stocks that has capital appreciation as its primary goal, with little or no dividend payouts. Growth funds are one of the main types of mutual funds.

    The **Fortress Caribbean Growth Fund** invests in equities in the Caribbean and around the world. The level of risk is moderate, and the fund seeks to provide attractive returns over the long-term. This fund is ideal for you if you have at least a five-year time horizon and want to enjoy the highest potential returns while limiting your risk. Investors can open a Fortress Caribbean Growth Fund account with a $100 minimum ("a *Grantley*") investment.

13. **Fortress Caribbean High Interest Fund** - The Fortress Caribbean High Interest Fund is a fixed income fund. It aims to achieve the highest level of income compatible with the preservation of capital by investing in corporate and government debt securities principally in the Caribbean. The Fund offers two classes of share, the Accumulation Shares and the dividend yielding Distribution Shares.

14. **Fixed Income instruments/securities** – These are debt instruments that pay a fixed amount of interest — in the form of coupon (annual interest rate paid) payments — to investors. The principal invested returns to the investor at maturity (date on which the principal amount of a debt instrument becomes due).

15. **Comprehensive Restructuring (Default)** – Default is the failure to repay a debt including interest or principal on a loan or security. A default can occur when a borrower is unable to make timely payments, misses payments, or avoids or stops making payments.

16. **(Permanent) Impairment of Capital** -Impaired capital occurs when an investment has declined in value and is now worth less than what it was recorded as being worth (face value) on the company's capital stock account on its balance sheet.

17. **Preservation of Capital** - Capital preservation is a strategy for protecting the money you have available to invest by choosing insured accounts or fixed-income investments that promise return of principal.

18. **Short term** - A concept that refers to holding an asset for a year or less.

19. **Medium term** - An asset holding period or investment horizon that is intermediate in nature.

20. **Time horizon** - the length of time over which an investment is made or held before it is liquidated.

21. **U.S. Federal Reserve** - The Federal Reserve System is the central bank of the United States.

22. **Net Asset Value** - The price of each share is known as the Net Asset Value (NAV). The NAV is simply the total value of the securities the fund owns divided by the number of fund shares outstanding.

23. **Set it and forget it/Fire and forget** – Also known as d**ollar cost averaging,** this is a strategy whereby an investor buys the same dollar amount of an investment at regular intervals. A monthly savings plan is one way to achieve this, usually through a pre-arranged automatic salary deduction or direct debit. The idea is to reduce the effect of short-term market volatility over time.

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25. **The Intelligent Investor by Benjamin Graham** – This book was originally published in 1949 and has remained a respected guide to investing, due to Graham's timeless philosophy of "value investing", which helps protect investors against the areas of possible substantial error and teaches them to develop long-term strategies with which they will be comfortable down the road.

26. **Value investing** - Value investing is an investment tactic where stocks are selected which appear to trade for less than their intrinsic, or book, values.

Definitions extracted from:

www.360financialliteracy.org
www.barbadosentrepreneurshipfoundation.org
www.entrepreneur.com
www.financial-dictionary.thefreedictionary.com
www.fool.com
www.investopedia.com
www.marketbusinessnews.com